



MONTANA LEGISLATIVE BRANCH


Legislative Fiscal Division

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Legislative Fiscal Analyst
CLAYTON SCHENCK

DATE: May 23, 2008

TO: Legislative Finance Committee

FROM: Taryn Purdy 

RE: Time Sensitive Operating Plan Changes

Sections 17-7-138 and 17-7-139, MCA, require that cumulative operating budget changes (in any budget category) and program transfers of \$25,000 and 25 percent or \$1,000,000 must be brought before the Legislative Finance Committee (LFC) prior to implementation, unless of a time sensitive nature. Since the last meeting of the LFC, the Office of Budget and Program Planning approved as time sensitive 4 operating plan changes and 2 program transfers. The attached memorandum from OBPP explains the changes.

LFD staff has reviewed the proposed changes and does not raise any issues.

OFFICE OF THE GOVERNOR
BUDGET AND PROGRAM PLANNING
STATE OF MONTANA

BRIAN SCHWEITZER
GOVERNOR



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HELENA, MONTANA 59620-0802

To: Clayton Schenck, Legislative Fiscal Analyst
Legislative Fiscal Division

From: David Ewer, Budget Director
Office of Budget & Program Planning

Date: May 22, 2008

Subject: OBPP Report on Time Sensitive Transactions Approved

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In accordance with 17-7-138 and -139, MCA, the Governor's Office of Budget and Program Planning is reporting that four operating plan budget changes and two program transfer budget changes that exceeded \$25,000 and 25% or \$1 million of a budget category have been approved since the last meeting of the Legislative Finance Committee. The transactions described below were all processed for FY 2008 and the documents are available for your staff to review on our guest directory.

Under 17-7-138, MCA.

- The **Department of Fish Wildlife and Parks** requested that \$32,000 be transferred from Operating to Equipment for the purchase of equipment to replace some antiquated equipment in the Field Services' Design and Construction Bureau. Spring is the season that Design and Construction performs much of the outside construction work. These machines and data collection systems are crucial to design work, staking and collection of topographic data. A delay in processing this document would also cause FWP to miss the FYE purchasing deadline of May 15th. [52010 375 OP205]
- The **Department of Environmental Quality** requested that \$130,000 be transferred from Operating to Equipment for the purchase of a bill payment module that integrates with the state's current accounting system. The purchase of this module in the month of May allowed the department to receive a 40% discount on this system. [53010 415 OP182]
- The **Department of Public Health and Human Services** requested that \$250,000 be transferred from Benefits and Claims to Grants. The Health Resources Division does not have sufficient House Bill 2 authority in Grants to cover costs associated with contracts for KIDs Management Authority which primarily provide funding to support the building of the community's infrastructure for a system of care for delivery, management and evaluation of mental health services to youth with serious emotional disturbances. Per department policy the costs associated with these contracts should be removed from any temporary cost center within one month, which is why this document was processed as time sensitive. [69010 892 HA105]
- The **Department of Natural Resources and Conservation** requests that \$70,018 be moved from Capital Outlay to Operating in the Trust Land Management Division. The anticipated access projects have not materialized in FY 2008 as planned; however, there is a substantial backlog in Forest Improvement projects. Approximately \$45,000 would be spent on road maintenance and road inventory contracted services, which addresses critical access needs. The remaining amount would be used to address backlog seedling growing, planting, and site prep needs associated with the significant fire seasons over the last eight years, and an increase in the annual sustained yield in 2004. [57060 555 OP863]

Under 17-7-139, MCA.

- The **Montana Historical Society** requested that six related program transfer documents be processed. This was to reallocate initial operational plans to reflect current needs. There was one document that “triggered” and was considered time sensitive, this was because payroll journals could not be processed until this program transfer of \$115,830 was completed. There was no significant change in agency objectives. Transferring authority between programs and first levels to re-allocate authority based on estimates when program 5 was established and to further correct negative appropriation initially set up in operating for HIS Museum program 3. [51170 345 PT016]
- The **Department of Public Health and Human** requested that nine related program transfer documents be processed. There was one document that “triggered”. This was a program transfer of \$248,561.40 in personal services authority to program 04, the Director's Office, to fund the payment of agency termination payouts. Under federal regulations, DPHHS must charge termination payouts through the agency-wide cost allocation plan. This is accomplished by charging the expenditures to the agency's personnel unit, which is located in the Director's Office. Personal services costs were originally budgeted in the division to which the position is assigned. Part of the positions' budget is now being moved to program 04, where the termination expenditures are incurred. [69010 865 PT060.3]

We have reviewed the requests and found them to be in compliance with state and federal laws and policies, as well as allowing your staff to review the transactions, prior to processing. The Legislative Fiscal Division staff raised no issues with the transactions. Please let us know if you have questions or wish additional information.

CC: Taryn Purdy